

MINUTES OF AUGUST 10th, 1920.

Pursuant to public notice, the Board of Public Works met at the office of the State Treasurer in the City of Annapolis at Noon, on Tuesday, August 10th, 1920.

Present:

Albert C. Ritchie, Governor,
E. Brooke Lee, Comptroller,
John M. Dennis, Treasurer.

In accordance with the resolution adopted on June 9th, 1920, the State Treasurer proceeded to open the bids received for One Million, Five Hundred Thousand Dollar Bonds to be issued under the provisions of Chapter 508 of the Acts of the General Assembly of Maryland of 1920. The following bids were received:

ESTABROOK AND COMPANY,
24 BROAD STREET,
NEW YORK CITY, N. Y.

----- August 9, 1920.

Hon. John M. Dennis,
Treasurer, State of Maryland,
Annapolis, Md.

Dear Sir:

For all of the \$1,500,000. 4-1/2% STATE OF MARYLAND LATERAL AND POST ROAD LOAN OF 1920 CERTIFICATES OF INDEBTEDNESS, maturing serially August 1923 to August, 1935 inclusive, in amounts and denominations as set forth in your advertisement dated July 5, 1920, we will pay 93.17 and accrued interest to date of delivery. This bid is made subject to our being furnished with the signed opinion of the Attorney General of Maryland that these bonds are legally issued and are direct obligations of the State of Maryland.

Enclosed please find certified check for \$75,000. in accordance with the terms of sale.

Yours very truly,

(Signed) Estabrook & Co.,
Remick Hodges & Co., T.

(Received check
Estabrook & Co.)

.....:

ALEX. BROWN AND SONS,
BALTIMORE, MARYLAND.

----- August 10, 1920.

Hon. John M. Dennis,
Treasurer of the State of Maryland,
Annapolis, Maryland.

Dear Sir:

On behalf of ourselves and our associates Messrs. Harris, Forbes and Co., we hereby bid \$1,397,745., being at the rate of \$93,183 per \$100 par value thereof, and accrued interest to date of delivery of the bonds, for all or none of \$1,500,000. 4-1/2 per cent. Certificates of Indebtedness known as "Lateral and Post Roads Loan of 1920", dated August 15, 1920 and maturing as follows:

\$87,000.....August 15, 1923
 91,000.....August 15, 1924
 96,000.....August 15, 1925
 99,000.....August 15, 1926
 104,000.....August 15, 1927
 109,000.....August 15, 1928
 114,000.....August 15, 1929
 119,000.....August 15, 1930
 125,000.....August 15, 1931
 130,000.....August 15, 1932
 137,000.....August 15, 1933
 142,000.....August 15, 1934
 147,000.....August 15, 1935

bids for which are to be received by you before twelve o'clock Noon on Tuesday August 10, 1920.

We enclose certified check for \$75,000, being 5 per cent. of the par value of the amount of bonds bid for, as per your requirement.

Yours very truly,

(Check returned
 Harris Forbes & Co.,
 by Thos. S. Grail)

(Signed) Alex. Brown & Sons.

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JOINT BID OF THE MERCANTILE TRUST AND DEPOSIT COMPANY OF BALTIMORE AND HAMBLETON AND COMPANY, BAKER, WATTS AND COMPANY, THE BANKERS TRUST COMPANY, N. Y. C., THE GUARANTY TRUST COMPANY, N. Y. C. W. R. COMPTON AND COMPANY for --

\$1,500,000. STATE OF MARYLAND Four and one-half per cent Bonds.

August 10, 1920.

The Honorables
 Albert C. Ritchie,
 Governor of Maryland,
 E. Brooke Lee,
 Comptroller of the Treasury,
 John M. Dennis,
 Treasurer of Maryland.

Gentlemen;

Referring to the \$1,500,000. Four and One-half per cent, "The Lateral and Post Roads Loan of 1920", advertised to be sold on this day and date, as per annexed advertisement, which is hereby made a part of this bid:

For all or none of this entire offering, we respectfully offer to pay you, for each one hundred dollars (\$100.00) par value, the sum of \$92,5677.

This bid is made with the understanding that the bonds shall be legally and validly issued and sold.

In accordance with the terms of your advertisement, we enclose our check for \$75,000. being 5% of the amount of the bonds bid for.

In the event our bid is not accepted, please return this check to us immediately.

Very truly yours,

HAMBLETON & COMPANY
 BAKER WATTS & COMPANY
 THE BANKERS TRUST CO., N.Y.C.
 THE GUARANTY TRUST CO., N.Y.C.
 W. R. COMPTON & CO.

MERCANTILE TRUST & DEPOSIT CO.
 OF BALTIMORE.
 By J. G. Boyce, Jr., V.-Pr.,

(Received check \$75,000. J. H. Faerner)

THE NATIONAL CITY COMPANY,
NATIONAL CITY BANK BLDG.,
NEW YORK CITY, N. Y.

----- August 9, 1920.

Mr. John M. Dennis,
State Treasurer,
Annapolis, Maryland.

Dear Sir;

For all but no part of \$1,500,000. State of Maryland 4- $\frac{1}{2}$
"Lateral and Post Roads Loan of 1920" Dated August 15, 1920,
Maturing as follows (without option of prior payment)

\$87,000 August 15, 1923	\$114,000 August 15, 1929
91,000 August 15, 1924	119,000 August 15, 1930
96,000 August 15, 1925	125,000 August 15, 1931
99,000 August 15, 1926	130,000 August 15, 1932
104,000 August 15, 1927	137,000 August 15, 1933
109,000 August 15, 1928	142,000 August 15, 1934
\$147,000 August 15, 1935	

Principal and semi-annual interest (February 15 and August 15) payable at the fiscal agency of the State in Baltimore, Maryland.

Coupon bonds of \$1,000 each with privilege of registration as to principal only.

Exempt from all taxation in the State of Maryland.
we will pay 92.279% and in addition thereto accrued interest to date of delivery, which is equivalent to par and accrued interest less a discount of \$115,815.00.

This bid is made with the understanding that, if successful, we will be furnished with a signed original opinion of the Attorney General of the State of Maryland, approving the legality and regularity of the issue and stating that the bonds are a direct obligation of the State of Maryland, supported by a tax upon all the taxable property.

In accordance with the terms of your advertisement, and our bid, we enclose herewith certified check in the amount of \$75,000, being 5% of the par value of bonds bid for, which we would ask you to return to our representative if we are unsuccessful.

Very truly yours,

THE NATIONAL CITY COMPANY,
E. H. ROLLINS AND SONS
ELDRIDGE AND COMPANY
EASTMAN, DILLON AND COMPANY

by THE NATIONAL CITY COMPANY,
(Syndicate Managers)
(Signed) G. L. Cross,
Manager Municipal Department.

(Received certified check
for \$75,000. National City
Company, per J. M. Ward).

POE AND DAVIES,
EQUITABLE BUILDING,
BALTIMORE, MARYLAND.

----- August 10th, 1920.

John M. Dennis, Esq., Treasurer,
State of Maryland,
Annapolis, Maryland.

Dear Sir;

PROPOSAL FOR SALE OF LATERAL AND POST ROAD FOUR AND ONE
HALF PER CENT BONDS OF 1920.

We will pay the following prices, plus accrued interest
for all or any part of the following issues of the above men-
tioned bonds, aggregating \$1,500,000.

\$87,000	Series "A"	due 1923	\$946.80	per	\$1000.	bond
91,000	Series "B"	due 1924	929.80	per	1000	bond
96,000	Series "C"	due 1925	918.50	per	1000	bond
99,000	Series "D"	due 1926	915.00	per	1000	bond
104,000	Series "E"	due 1927	912.60	per	1000	bond
109,000	Series "F"	due 1928	910.10	per	1000	bond
114,000	Series "G"	due 1929	906.50	per	1000	bond
119,000	Series "H"	due 1930	890.90	per	1000	bond
125,000	Series "I"	due 1931	881.10	per	1000	bond
130,000	Series "J"	due 1932	872.20	per	1000	bond
137,000	Series "K"	due 1933	866.60	per	1000	bond
142,000	Series "L"	due 1934	860.90	per	1000	bond
147,000	Series "M"	due 1935	855.00	per	1000	bond

You will find enclosed herewith checks aggregating \$75,000,
representing five per cent of the face value of the maximum
amount of bonds bid for.

Very truly,

(Received of Treasurer of
Maryland above mentioned
checks. Poe & Davies.)

After a hearing of the statements from the representa-
tives of the bidders present, the Board of Public Works went
into Executive Session. It was unanimously resolved by the
Board to reject all bids. The following statement explaining
the reasons for this action by the Board was made.

"After a careful consideration of all the bids for the
\$1,500,000. road bonds, The Board of Public Works has decid-
ed not to accept any. We do this for the following reasons:

1. While the highest bid of 93.185 compares very favor-
ably with the present market for other public securities, yet
to accept this bid would mean that the State would have \$102,255.
less out of this issue to spend upon the roads than if par had
been secured, and we do not want to lose one dollar of road
money that can possibly be saved, nor place any discount on
the taxpayers which can be avoided particularly in the case
of long term bonds, such as these.

2. The principal market for the bonds must necessarily
be here in Maryland, and if they were sold at so large a dis-
count, they would, as and when marketed, necessarily compete
with and tend to lower the market price not only of existing
State and of other securities, but also of the securities which
many of the counties are now issuing for road purposes, and of

the securities which Baltimore City will issue, and which must also find their principal market here.

3. In the present instance, fortunately, no such necessity exists as would require the present sale of the bonds in the face of these disadvantages.

Even if transportation and other conditions affecting road construction were normal, still no money for roads built out of the proceeds of these bonds could be needed or used for at least sixty days.

It is not impossible that money conditions may materially improve before that time. The present money market is abnormal, and, in the absence of European contingencies, is, in the opinion of those most competent to judge, bound to improve. The State's credit is intrinsically excellent, and if, before the time when this road money will be needed, the market does improve to a point where an acceptable price can be secured, the bonds will be marketed then.

4. The State, moreover, in next September, will have approximately \$1,000,000 in its sinking funds, all of which will be available for the purchase of these bonds at par; and if the market has not sufficiently improved when the proceeds of this issue are needed for roads, then we will apply this \$1,000,000 to the purchase of a like amount of these bonds at par.

This \$1,000,000, together with Federal and county aid, would be more than sufficient to enable us to build all the main and lateral roads which, even under normal conditions, it would be possible to build until next spring or early summer.

5. Consequently, the rejecting of all bids now will not retard road construction in the slightest degree, because as soon as the money can be used, it will be secured through the future marketing of these bonds, provided the money situation has by that time improved sufficiently to justify it; and if it has not, then all the money that can be used between now and the spring or early summer can be secured by purchasing \$1,000,000 of the bonds at par from the sinking fund. In this latter event, the remaining \$500,000 of the bonds will be held for future disposition, as conditions justify. In no event could this \$500,000 be used until the late summer of 1921.

Messrs. Isaac S. Field, Joseph N. Ulman, Clarence K. Bowie, members of the Board of Managers of the Maryland Industrial Training School for Girls, Frank J. Caughy, and G. Ridgely Sappington appeared before the Board to discuss the situation caused by the failure of Fred W. Kahl to carry out the terms of his agreement for the purchase of the property of the Maryland Industrial Training School for Girls at 1600 N. Carey Street, which agreement appears in the minutes of the Board of May 6th, 1920. On the day of the agreement with Kahl the Board of Managers of the Institution signed a contract for the purchase of what is known as the Montrose property in Baltimore County from Mr. Frederick P. Gibson. The sum of \$25,000. due Mr. Gibson to complete the purchase has not been paid, because of the failure of Mr. Kahl to complete his contract for the purchase of the property on Carey Street. The Board directed the Secretary to notify Mr. Kahl that he had defaulted on his contract, and that the negotiations with him for the purchase of the Carey Street property were at an end.

The Board of Public Works authorized the Board of Managers of the Maryland Industrial Training School for Girls to borrow \$26,500.00 from the Union Trust Company of Baltimore City, it being understood that the loan is to be re-paid out

of the proceeds of the \$100,000. appropriated in the Bond issue authorized by Chapter 727 of the Acts of the General Assembly of Maryland of 1920, for acquiring a site and for the construction of buildings for the Maryland Industrial Training School for Girls. It was further understood that \$25,000. of the loan is to be applied to completing the purchase of the Montrose property in Baltimore County from Mr. Gibson.

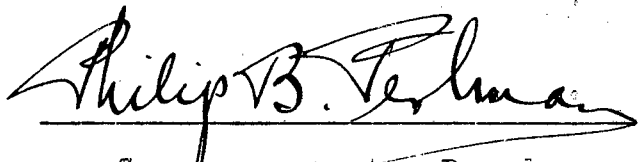
The following Companies were added to the Committee appointed to survey the property owned by the State, and to recommend a plan for a uniform system of insurance.

Greene-Abramams Co., Inc.,
Maury & Donnelly-Williams Co.

The Board considered the report of the State Auditor on the audits of the books and accounts of the Maryland Council of Defense, and ordered the same filed.

The minutes of the meeting of August 3rd, 1920, were read and approved.

There being no further business, the Board adjourned.


Secretary to the Board.